

Exhibit No.

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Date

3-18-11Amendments to House Bill No. 2
3rd Reading Copy

Bill No.

HB2

Requested by Senator Dave Lewis

For the Senate Finance and Claims Committee

Prepared by Kris Wilkinson

March 18, 2011 (10:23am)

1. Page B-4, line 3.

Strike: " 30,910,949" [state special fund FY 13]**Insert:** " 28,642,949" [state special fund FY 13]

2. Page B-4.

Following: line 8**Insert:** "b. Transition to Privatization of MVH
(Restricted/Biennial/OTO) "**Insert:** "691,400 691,401" [state special fund FY 12 FY 13]

3. Page B-4.

Insert: "c. PACE Program Enhancing Veterans' Services
(Restricted/Biennial) "**Insert:** "209,638 209,638" [general fund FY 12 FY 13]**Insert:** "104,820 104,820" [state special fund FY 12 FY 13]**Insert:** "615,618 603,401" [federal special fund FY 12 FY 13]**Insert:** "d. Home and Community-Based Services for Veterans
(Restricted/Biennial) "**Insert:** "337,780 337,780" [state special fund FY 12 FY 13]**Insert:** "661,274 648,151" [federal special fund FY 12 FY 13]

3. Page B-5.

Following: line 5**Insert:** "Transition to Privatization of MVH may be used only to
pay reduction in force costs associated with having nursing
home services provided by a private contractor at the
Montana veterans' home."**Insert:** "PACE Program Enhancing Veterans' Services may be used
only to establish PACE services that allow for a federal
state partnership with the federal department of veterans'
affairs to provide community-based PACE services to Montana
veterans statewide and medicaid PACE services and is
contingent on passage and approval of a bill to allow
cigarette tax funds to be used for this purpose."**Insert:** "Home and Community-Based Services for Veterans may be
used only to provide home and community-based services to
Montana veterans and is contingent on passage and approval
of a bill to allow cigarette tax funds to be used for this

purpose."

- END -

Explanation - Item 1 - This amendment funds the MVH at the average of private nursing home facilities with comparable bed capacity and rating for quality as determined by the Centers for Medicare and Medicaid in FY 2013 to allow the Senior and Long-term Care Division a year to move to a private contract for the facility. In FY 2013, MVH is funded at the level of the average of private facilities. State special revenues from cigarette taxes are reduced by \$2,268,000 in FY 2013.

Item 2 - The amendment also provides a restricted biennial one-time-only appropriation for reduction in force costs associated with transitioning MVH to a contract with a private operator providing nursing services. Maintenance of the building and campus would continue to be the responsibility of the state. This appropriation is contingent on the department receiving a successful bidder for the operation of the facility in FY 2013. State special revenues increase by \$691,400 in FY 2012 and \$691,401 in FY 2013.

Item 3 - Provides a restricted biennial appropriation to establish a statewide PACE program to be:

1. Used as a mechanism to establish a partnership with the federal Department of Veterans' Affairs (VA) to provide PACE services to veterans around Montana. The VA uses the partnership to provide services that are 100% federally funded

2. Provide Medicaid services under the PACE model to qualifying individuals

Funding for the PACE program is provided 1/3 from the cigarette tax directed for veterans' services. This will require an implementation bill to expand the uses of the cigarette tax to provide veterans' home and community based services. The amendment increases general fund by \$209,638 each year of the biennium, state special revenues by \$104,820 each year of the biennium and federal special revenues by \$615,618 in FY 2012 and \$603,401 in FY 2013.

Item 4 - provides for a restricted biennial appropriation to establish community based waiver services directed for veterans. The funding provides authority for federal Medicaid services if the veterans' qualify but is not a requirement under the amendment. The item increases state special revenues by \$337,780 each year of the biennium and federal funds by \$661,274 in FY 2012 and \$648,151 in FY 2013. It should be noted that the federal

funds are calculated as though all veterans qualify for Medicaid services, this level of funding may not be required.